Introduced by Assembly Member Hancock (Principal coauthor: Assembly Member Mullin)

February 11, 2003

An act to amend Sections 52050.5, 52052, 52055.51, 52055.655, 52056.5, 60603, 60604, 60605, 60605.6, 60606, 60640, 60642, 60642.5, 60643, 60643.1, 60851, 60852, and 60856 of, and to repeal Sections 52052.2, 52055.5, 52055.52, 52055.650, 52057, and 60859 of, the Education Code, relating to education testing.

LEGISLATIVE COUNSEL'S DIGEST

AB 356, as introduced, Hancock. Education: pupil testing.

(1) Existing law establishes the Public Schools Accountability Act of 1999, which consists of the Academic Performance Index, the Immediate Intervention/Underperforming Schools Program, and the Governor's High Achieving/Improving Schools Program. Under the act, schools receive awards for high achievement and improvement and sanctions for continued low performance.

This bill would delete the rewards and sanctions provisions from the act and would make conforming changes.

(2) Existing law, the Standardized Testing and Reporting Program, requires that each school district, charter school, and county office of education administer to each of its pupils in grades 2 to 11, inclusive, a designated achievement test and a standards-based achievement test.

This bill would exclude pupils in grade 2 from this testing requirement and make conforming changes.

(3) Existing law requires that pupil completing grade 12 successfully pass a high school exit examination as a condition of

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receiving a diploma of graduation or a condition of graduation from high school.

This bill would delete passage of the exit examination as a condition of receiving a diploma of graduation or a condition of graduation from high school, would authorize school districts to decide how to use the results of the high school exit examination as part of their local graduation requirements, and would make conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 52050.5 of the Education Code is 2 amended to read:
- 3 52050.5. The Legislature finds and declares all of the 4 following:
 - (a) The purpose of the California public school system is to provide for the academic development of each pupil and prepare each pupil, to the extent of his or her ability, to become a lifelong learner, equipped to live and succeed within the economic and societal complexities of the 21st century.
 - (b) It is in the interest of the people and the future of this state to ensure that each child in California receives a high quality education consistent with all statewide content and performance standards, as adopted by the State Board of Education, and with a meaningful assessment system and reporting program requirements.
 - (c) Recent assessments indicate that many pupils in California are not now, generally, progressing at a satisfactory rate to achieve a high quality education.
 - (d) To remedy this, the state is in need of an immediate and comprehensive accountability system to hold each of the state's public schools accountable for the academic progress and achievement of its pupils within the resources available to schools.
 - (e) Any promising and effective accountability system must be based upon a constructive and collaborative process that seeks to include stakeholders in the accountability process.
 - (f) Any promising and effective accountability system requires the active involvement of parents and guardians, pupils, educators, community leaders, school boards, and schoolsite teams.

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(g) The statewide school accountability system must encourage the active participation of parents and guardians, pupils, educators, and the local community in improving pupil achievement.

- (h) The statewide accountability system must be easily accessible and understandable to parents and others.
- (i) The statewide accountability system must include rewards that recognize high achieving schools as well as interventions and, ultimately, sanctions for schools that are continuously low performing.
- (i)—It is also the intent of the Legislature that the comprehensive and effective school accountability system primarily focus on increasing academic achievement.

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- (j) To achieve better pupil performance, it is the intent of the 16 Legislature that any school accountability system do all of the following:
 - (1) Encourage teacher preparation that allows teachers to develop the ability to inspire pupils to become lifelong learners.
 - (2) Encourage teacher preparation and consistent ongoing professional development that serves to develop competency in content and pedagogy and that allows teachers to effectively involve themselves in promoting school accountability.
 - (3) Encourage the involvement of the community and its stakeholders in the accountability system.
 - (4) Encourage local community involvement in providing support for education and identifying causes of pupil failure and designing programs for remediation.
 - (5) Approach accountability with an attitude of collaboration, encouragement, and correction.
 - (6) Utilize the state infrastructure to support schools, school districts, and county offices of education in their efforts to improve pupil achievement and progress.
 - (7) Encourage each local community to support and sustain high-quality educational programs and to build the capacity of educators and schools to succeed in educating every pupil.
 - (8) Encourage active involvement of parents and guardians in the development and implementation of school accountability systems.

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1 SEC. 2. Section 52052 of the Education Code is amended to 2 read:

- 52052. (a) (1) By July 1, 1999, the Superintendent of Public Instruction, with approval of the State Board of Education, shall develop an Academic Performance Index (API), to measure the performance of schools, especially the academic performance of pupils, and to demonstrate comparable improvement in academic achievement by all numerically significant ethnic and socioeconomically disadvantaged subgroups within schools.
- (2) For purposes of this section, a numerically significant ethnic or socioeconomically disadvantaged subgroup is a subgroup that constitutes at least 15 percent of a school's total pupil population and consists of at least 30 pupils. An ethnic or socioeconomically disadvantaged subgroup of at least 100 pupils constitutes a numerically significant subgroup, even if the subgroup does not constitute 15 percent of the total enrollment at a school. For schools whose API scores are based on test scores of no fewer than 11 and no more than 99 pupils, numerically significant subgroups shall be defined by the Superintendent of Public Instruction, with approval by the State Board of Education.
- (3) The API shall consist of a variety of indicators currently reported to the State Department of Education including, but not limited to, the results of the achievement test administered pursuant to Section 60640, attendance rates for pupils and certificated school personnel for elementary schools, middle schools, and secondary schools, and the graduation rates for pupils in secondary schools.
- (A) The pupil data collected for the API that comes from the achievement test administered pursuant to Sections 60640 and 60644 and the high school exit examination administered pursuant to Section 60851, when fully implemented, shall be disaggregated by special education status, English language learners, socioeconomic status, gender and ethnic group. Only the test scores of pupils who were counted as part of a school district's enrollment in the October California Basic Educational Data System's data collection for the current fiscal year and were continuously enrolled during that year may be included in the test results reported in the API. Results of the achievement test and other tests specified in subdivision (b) shall constitute at least 60

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(B) Before including high school graduation rates and attendance rates in the index, the Superintendent of Public Instruction shall determine the extent to which the data are currently reported to the state and the accuracy of the data.

- (C) If the Superintendent of Public Instruction determines that accurate data for these indicators is *are* not available, the Superintendent of Public Instruction shall report to the Governor and the Legislature by September 1, 1999, and recommend necessary action to implement an accurate reporting system.
- (b) Pupil scores from the following tests, when available and when found to be valid and reliable for this purpose, shall be incorporated into the API:
- (1) The assessment of the applied academic skills matrix test developed pursuant to Section 60604.
- (2) The nationally normed test designated pursuant to Section 60642.
- (3) The standards-based achievement tests provided for in Section 60642.5.
 - (4) The high school exit examination.

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(c) Based on the API, the Superintendent of Public Instruction shall develop, and the State Board of Education shall adopt, expected annual percentage growth targets for all schools based on their API baseline score from the previous year. Schools are expected to meet these growth targets through effective allocation of available resources. For schools below the statewide API performance target adopted by the State Board of Education pursuant to subdivision (d), the minimum annual percentage growth target shall be 5 percent of the difference between a school's actual API score and the statewide API performance target, or one API point, whichever is greater. Schools at or above the statewide API performance target shall have, as their growth target, maintenance of their API score above the statewide API performance target. However, the State Board of Education may set differential growth targets based on grade level of instruction and may set higher growth targets for the lowest performing schools because they have the greatest room for improvement. To meet its growth target, a school shall demonstrate that the annual growth in its API is equal to or more than its schoolwide annual percentage growth target and that all numerically significant ethnic and socioeconomically disadvantaged subgroups, as

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1 defined in subdivision (a) of Section 52052, are making 2 comparable improvement.

- (d) Upon adoption of state performance standards by the State Board of Education, the Superintendent of Public Instruction shall recommend, and the State Board of Education shall adopt, a statewide API performance target that includes consideration of performance standards and represents the proficiency level required to meet the state performance target. When the API is fully developed, schools must, at a minimum, meet their annual API growth targets to be eligible for the Governor's Performance Award Program as set forth in Section 52057. The State Board of Education may establish additional criteria that schools must meet to be eligible for the Governor's Performance Awards Program.
- (e) Beginning in June 2000, the API shall be used for both of the following:
- (1) Measuring the progress of schools selected for participation in the Immediate Intervention/Underperforming Schools Program pursuant to Section 52053.
- (2) Ranking all public schools in the state for the purpose of the High Achieving/Improving Schools Program pursuant to Section 52056.
- (f) (1) A comprehensive high school, middle school, or elementary school with 11 to 99 valid test scores of pupils who were enrolled in a school within the same school district in the prior fiscal year shall receive an API score with an asterisk that indicates less statistical certainty than API scores based on 100 or more test scores.
- (2) A school under the jurisdiction of a county board of education or a county superintendent of schools, a community day school, or an alternative school, including continuation high schools and opportunity schools, may receive an API score if the school has 11 or more valid test scores and the school chooses to receive an API score for at least three years.
- (3) A school that participates in the Immediate Intervention/Underperforming Schools Program described in Section 52053 shall receive an API score for the duration of its participation in that program, unless the Superintendent of Public Instruction determines that an API score would be an invalid measure of the school's performance for one or more of the following reasons:

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(A) Irregularities in testing procedures occurred.

- (B) The data used to calculate the school's API score are not representative of the pupil population at the school.
- (C) Significant demographic changes in the school's pupil population render year-to-year comparisons of pupil performance invalid.
- (D) The State Department of Education discovers or receives information indicating that the integrity of the school's API score has been compromised.
- (g) Only schools with 100 or more test scores contributing to the API may be included in the API rankings.
- (h) By July 1, 2000, the Superintendent of Public Instruction, with the approval of the State Board of Education, shall develop an alternative accountability system for schools with fewer than 100 test scores contributing to the schools' API scores, and for schools under the jurisdiction of a county board of education or a county superintendent of schools, community day schools, and alternative schools serving high-risk pupils, including continuation high schools and opportunity schools.
- SEC. 3. Section 52052.2 of the Education Code is repealed. 52052.2. A school that receives an API score with an asterisk shall be eligible for the Governor's Performance Awards Program, as set forth in Section 52057 and for participation in the Immediate Intervention/Underperforming Schools Program, as set forth in Section 52053.
- SEC. 4. Section 52055.5 of the Education Code is repealed. 52055.5. (a) Twenty-four months after receipt of funding pursuant to Section 52054.5, a school that has not met its growth targets each year, but demonstrates significant growth, as determined by the State Board of Education, shall continue to participate in the program for an additional year and to receive funding in the amount specified in Section 52054.5. Thirty-six months after receipt of funds pursuant to Section 52054.5, a school is no longer eligible to receive funding pursuant to that section.
- (b) Twenty-four months after receipt of funding pursuant to Section 52054.5, a school that has not met its growth targets each year and has failed to show significant growth, as determined by the State Board of Education, shall be deemed a state-monitored school:

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 (1) The State Board of Education shall make its final determination regarding whether or not a school shows significant growth no later than 30 days after the public release of a school's growth in API results or the next regularly scheduled meeting of the State Board of Education following the expiration of the 30 days if meeting the 30-day time limit would not provide the State Board of Education with sufficient time to comply with the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Division 3 of Title 2 of the Government Code).

- (2) Notwithstanding any other provision of law, within 90 days after the public release of a state-monitored school's growth in API results, the Superintendent of Public Instruction, in consultation with the State Board of Education, shall do the following:
- (A) Assume all the legal rights, duties, and powers of the governing board with respect to that school, subject to the provisions of paragraphs (1) and (7) of subdivision (e) and except as provided by Section 52055.51.
- (B) Reassign the principal of that school, subject to the findings in subdivision (g).
- (3) In addition to the actions specified in paragraph (2), the Superintendent of Public Instruction, after consultation with the State Board of Education, shall do one or more of the following with respect to a state-monitored school:
- (A) Revise attendance options for pupils to allow them to attend any public school in which space is available. If additional attendance options are made available, nothing in this option shall be construed to require either the sending or receiving school district to incur additional transportation costs.
- (B) Allow parents to apply directly to the State Board of Education for the establishment of a charter school and allow parents to establish the charter school at the existing schoolsite.
- (C) Under the supervision of the Superintendent of Public Instruction, assign the management of the school to a college, university, county office of education, or other appropriate educational institution, excluding for-profit organizations. The entity chosen to assume management of the school shall possess the qualifications specified in subdivision (b) of Section 52055.51. Consistent with paragraph (6) of subdivision (e), the involvement of the school district during the sanctions process shall be

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established by contract. The costs of the entity to manage the school shall be established by contract and shall be paid by the school district. However, the Superintendent of Public Instruction may not assume the management of the school.

- (D) Reassign other certificated employees of the school.
- (E) Renegotiate a new collective bargaining agreement at the expiration of the existing collective bargaining agreement, pursuant to Section 3543.2 of the Government Code.
 - (F) Reorganize the school.
 - (G) Close the school.

- (H) Place a trustee at the school, for a period not to exceed three years, who shall monitor and review the operation of the school. The trustee shall possess the qualifications specified in subdivision (b) of Section 52055.51, shall compile an initial report in accordance with the requirements of subdivision (d) of Section 52055.51, and shall receive reports from the school district and schoolsite no less than three times during the year on the progress towards meeting the goals established in the initial report. During the period of his or her service, the trustee may stay or rescind those actions of the governing board of the school district or schoolsite principal that, in the judgment of the trustee, may detrimentally affect the conditions of the state-monitored school to which the trustee is assigned. The salary and benefits of the trustee shall be established by the Superintendent of Public Instruction, in consultation with the State Board of Education, and shall be paid by the school district.
- (e) When a school is deemed to be a state-monitored school, the governing board of the school district shall, at a regularly scheduled public meeting, inform the parents and guardians of pupils enrolled at the schoolsite that the school is a state-monitored school and that as a result of this determination the corrective actions set forth in subdivision (b) may occur.
- (d) In addition to the actions taken pursuant to subdivision (b), the governing board of the school district and the district superintendent shall be included in discussions regarding the governance of the state-monitored schoolsite and the actions that shall be taken in order for the schoolsite to succeed. During the discussions, the participants shall clearly delineate the role that the governing board of the school district and the district superintendent will play during the sanctions period and shall

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report this delineation to the Superintendent of Public Instruction. The role to be played by the governing board of the school district and the district superintendent as delineated during the discussions regarding the governance of the state-monitored schoolsite shall be in addition to those actions set forth in subdivision (e).

- (e) After a school is deemed to be a state-monitored school pursuant to subdivision (b), the governing board of the school district shall do all of the following:
- (A) Make the same fiscal, human, and educational resources, at a minimum, available to the schoolsite as were available before the action taken pursuant to subdivision (b) excluding state or federal funding provided pursuant to Sections 52054.5 and 52055.600. If the total amount of resources available to the school district differs from one year to another, it shall make the same proportion of resources available to the schoolsite as was available before the action taken pursuant to subdivision (b).
- (B) The entity selected to manage a school pursuant to subparagraph (C) of paragraph (3) of subdivision (b) shall review the resources allocated to the schoolsite and determine if additional resources should be made available from district funds to reasonably support the schoolsite without detriment to the other schools and pupils of the district.
- (C) If the school does not have a management team pursuant to subparagraph (C) of paragraph (3) of subdivision (b), the Superintendent of Public Instruction, in consultation with the State Board of Education, shall designate an entity to review the resources allocated to the schoolsite and determine if additional resources should be made available from district funds to reasonably support the schoolsite without detriment to the other schools and pupils of the district.
- (D) If the entity selected to manage a school pursuant to subparagraph (C) of paragraph (3) of subdivision (b) or the entity chosen by the Superintendent of Public Instruction pursuant to subparagraph (C) of paragraph (1) is unable to obtain the information necessary to make this determination, the entity may request that the Superintendent of Public Instruction and State Board of Education intervene to obtain the necessary documents.
- (E) Any dispute between the entity selected to manage a school pursuant to subparagraph (C) of paragraph (3) of subdivision (b) or the entity chosen by the Superintendent of Public Instruction

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pursuant to subparagraph (C) of paragraph (1) and the school district over resource allocations shall be resolved by the Superintendent of Public Instruction, in consultation with the State Board of Education.

- (2) Continue its current ownership status with respect to the schoolsite.
- (3) Continue to provide the same insurance coverage as before the action taken pursuant to subdivision (b) with respect to property, liability, error and omissions, and other regularly provided policies.
- (4) Name the Superintendent of Public Instruction and the State Department of Education as additional insureds upon transfer of legal rights, duties, and responsibilities to the Superintendent of Public Instruction.
- (5) Continue to provide facilities support, including maintenance if appropriate to the management arrangement, and full schoolsite participation in bond financing.
- (6) Remain involved with the school throughout the sanction period.
- (7) If the State Board of Education approves, the governing board of the school district may retain its legal rights, duties, and responsibilities with respect to that school.
- (f) In addition to the actions listed in subdivision (b), the Superintendent of Public Instruction, in consultation with the State Board of Education, may take any other action considered necessary or desirable against the school district or the school district governing board, including appointment of a new superintendent or suspension of the authority of the governing board with respect to the school or schools identified pursuant to subdivision (b).
- (g) (1) Before the Superintendent of Public Instruction may take any action against a principal pursuant to subdivision (b), the Superintendent of Public Instruction or a designee of the superintendent, which may be a panel consisting of the county superintendent of schools of the county in which the school is located or an adjoining county, one principal with experience in a similar type of school, and the superintendent of the school district in which the state-monitored school is located, shall do the following:

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(A) Hold an informal hearing to determine whether there are sufficient issues to proceed to a formal hearing. The informal hearing shall be held in a closed session. The principal, and his or her representative, and a school district representative may be present at the informal hearing. The decision on whether to proceed to a formal hearing shall be posted and presented at a regularly scheduled public meeting of the governing board of the school district. If the decision is not to proceed to a formal hearing, the posting and presentation shall explain the rationale for this decision. This item may not be a consent item on the agenda.

- (B) Hold a formal hearing on the matter in the school district and make both of the following findings:
- (i) A finding that the principal had the authority to take specific enumerated actions that would have helped the school meet its performance goals.
- (ii) A finding that the principal failed to take specific enumerated actions pursuant to paragraph (1).
- (2) Evidence to support the findings made at a formal hearing held pursuant to subparagraph (B) of paragraph (1) shall be presented and discussed in a closed session. The principal, or his or her representative, and a school district representative may be present in the closed session. The findings shall be posted and presented at a regularly scheduled public meeting of the governing board of the school district. This item may not be a consent item on the agenda. The governing board shall give adequate time for public input and response to findings.
- (3) The Superintendent of Public Instruction may not take any action against a principal pursuant to subdivision (b) if the principal is assigned to the school for one academic year or less.
- (h) A school that has not met its growth targets within 36 months of receiving funding pursuant to Section 52054.5, but has shown significant growth, as determined by the State Board of Education, shall continue to be monitored by the Superintendent of Public Instruction until it meets its annual growth target or the statewide performance target. If, in any year between the third year of implementation funding and the first year the school meets its growth target, the school fails to make significant growth, as determined by the State Board of Education, that school shall be deemed a state-monitored school and subject to the provisions of paragraphs (1) to (10), inclusive, of subdivision (b).

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(i) An action taken pursuant to subdivision (b), (c), (d), (e), or (f) shall be conducted from funds provided for that purpose in the annual Budget Act and shall not require reimbursement by the Commission on State Mandates.

- (j) An action taken pursuant to subdivision (b), (e), or (f) shall be accompanied by specific findings by the Superintendent of Public Instruction and the State Board of Education that the action is directly related to the identified causes for continued failure by a school to meet its performance goals. These findings shall be made public and discussed at a regularly scheduled meeting of the governing board of the school district before the enactment of any action taken pursuant to subdivision (b), (c), or (d).
- SEC. 5. Section 52055.51 of the Education Code is amended to read:
- 52055.51. (a) Instead of the actions specified in subdivision (b) of Section 52055.5, and notwithstanding Notwithstanding any other provision of law, the Superintendent of Public Instruction, with the approval of the State Board of Education, may require the district to enter into a contract with a school assistance and intervention team. If the State Board of Education approves, the governing board of the school district may retain its legal rights, duties, and responsibilities with respect to that school.
- (b) School assistance and intervention team members should possess a high degree of knowledge and skills in the areas of school leadership, curriculum, and instruction aligned to state academic content and performance standards, classroom management and discipline, academic assessment, parent-school relations, and evaluation and research based reform strategies and have proven successful expertise specific to the challenges inherent in state-monitored schools.
- (c) The team shall provide intensive support and expertise to implement the school reform initiatives in the plan. Decisions about interventions shall be data driven. A school assistance and intervention team shall work with school staff, site planning teams, administrators, and district staff to improve pupil literacy and achievement by assessing the degree of implementation of the current action plan, refining and revising the action plan, and making recommendations to maximize the use of fiscal resources and personnel in achieving the goals of the plan. The district shall

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provide support and assistance to enhance the work of the team at the targeted schoolsites.

- (d) Not later than 60 days after the assignment of a school assistance and intervention team, the team must have completed an initial report. The report shall include recommendations for corrective actions chosen from a range of interventions, including the reallocation of district fiscal resources to ensure that appropriate resources are targeted to those specific interventions identified in the recommendations of the team for the targeted schools and other changes deemed appropriate to make progress toward meeting the schools growth target. Not later than 90 days after the API is made public, the governing board of the school district shall adopt the team's recommendations at a regularly scheduled meeting of the governing board. The governing board may not place the adoption on the consent calendar. The report shall be submitted to the Superintendent of Public Instruction and State Board of Education.
- (e) No less than three times during the year, the school district and schoolsite shall present the team with data regarding progress toward the goals established by the team's initial assessment. The data shall be presented to the governing board of the school district at a regularly scheduled meeting. The team shall, to the extent possible, utilize existing site data. The data shall also be provided to the Superintendent of Public Instruction and State Board of Education. Every effort shall be made to report this data in a manner that minimizes the length and complexity of the reporting requirement in order to maximize the focus on improving pupil literacy and achievement.
- (f) An action taken pursuant to this section shall may not increase local costs or require reimbursement by the Commission on State Mandates.
- SEC. 6. Section 52055.52 of the Education Code, as added by Chapter 1035 of the Statutes of 2002, is repealed.
- 52055.52. (a) Thirty-six months after the Superintendent of Public Instruction assigns a management team, trustee, or a school assistance and intervention team to a schoolsite, if the school makes significant growth on the Academic Performance Index, as determined by the State Board of Education, in two consecutive years, the school shall exit the Immediate

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Intervention/Underperforming Schools Program and is no longer subject to the requirements of the program.

- (b) Thirty-six months after the Superintendent of Public Instruction assigns a management team, trustee, or a school assistance and intervention team to a schoolsite, if the management team, trustee, or school assistance and intervention team fails to assist the school in making significant growth on the Academic Performance Index, as determined by the State Board of Education, the Superintendent of Public Instruction shall remove the management team, trustee, or school assistance and intervention team from providing services at the schoolsite and any other schoolsite. Additionally, the Superintendent of Public Instruction shall do at least one of the following:
- (1) Require the school district to ensure, using available federal funds, that 100 percent of the teachers at the schoolsite are highly qualified, as defined by the state for the purposes of the federal No Child Left Behind Act.
- (2) Require the school to contract, using available federal funds, with an outside entity to provide supplemental instruction to low-performing pupils and assign a management team, trustee, or school assistance and intervention team that has demonstrated success with other state-monitored schools.
- (3) Allow parents of pupils enrolled at the school to apply directly to the State Board of Education to establish the charter school at the existing schoolsite.
 - (4) Close the school.

- SEC. 7. Section 52055.52 of the Education Code, as added by Chapter 1020 of the Statutes of 2002, is repealed.
- 52055.52. Thirty-six months after the Superintendent of Public Instruction undertakes any of the actions in paragraph (2) of subdivision (b) of Section 52055.5, as amended by Senate Bill 1310 of the 2001–02 Regular Session, and subsequently, or requires a school to contract with a school assistance and intervention team pursuant to Section 52055.51, the school shall no longer be eligible to receive funding for purposes of this article.
- SEC. 8. Section 52055.650 of the Education Code is repealed. 52055.650. (a) Section 52055.5 does not apply to a school participating in the High Priority School Grant Program.
- (b) Twenty-four months after receipt of funding for implementation of the action plan pursuant to Sections 52054.5

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and 52055.600 or no sooner than July 1, 2004, a school that has not met its growth targets each year shall be subject to review by the State Board of Education. This review shall include an examination of the school's progress relative to the components and reports made pursuant to Section 52055.640. The Superintendent of Public Instruction, with the approval of the State Board of Education, may direct that the governing board of a school take appropriate action and adopt appropriate strategies to provide corrective assistance to the school in order to achieve the components and benchmarks established in the school's action

- (c) Thirty-six months after receipt of funding to implement a school action plan or no sooner than July 1, 2005, a school that has met or exceeded its growth target each year shall receive a monetary or nonmonetary award, under the Governor's Performance Award Program, as set forth in Section 52057. Funds received pursuant to that section may be used at the school's discretion.
- (d) Thirty-six months after receipt of funding to implement a school action plan or no sooner than July 1, 2005, a school that has not met its growth targets each year, but demonstrates significant growth, as determined by the State Board of Education, shall continue to participate in the program and receive funding as specified in Sections 52054.5 and 52055.600.
- (e) Notwithstanding any other provision of law, the Superintendent of Public Instruction, with the approval of the State Board of Education, shall follow the course of action prescribed by paragraph (1) or (2) with respect to a school that does not meet its growth targets within the periods described in either subdivision (c) or (d), as applicable, or no later than July 1, 2005, and has failed to show significant growth, as determined by the State Board of Education.
- (1) Require the district to enter into a contract with a school assistance and intervention team.
- (A) Team members should possess a high degree of knowledge and skills in the areas of school leadership, curriculum, and instruction aligned to state academic content and performance standards, classroom management and discipline, academic assessment, parent-school relations, and evaluation and research-based reform strategies and have proven successful

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expertise specific to the challenges inherent in low-performing schools.

- (B) The team shall provide intensive support and expertise to implement the school reform initiatives in the plan. Decisions about interventions shall be data driven. A school assistance and intervention team shall work with school staff, site planning teams, administrators, and district staff to improve pupil literacy and achievement by assessing the degree of implementation of the current action plan, refining and revising the action plan, and making recommendations to maximize the use of fiscal resources and personnel in achieving the goals of the plan. The district shall provide support and assistance to enhance the work of the team at the targeted schoolsites.
- (C) Not later than 60 days after the school's API becomes public, the team must have completed an initial report. The report shall include recommendations for corrective actions chosen from a range of interventions, including the reallocation of district fiscal resources to ensure that appropriate resources are targeted to those specific interventions identified in the recommendations of the team—for—the—targeted—schools—and—other—changes—deemed appropriate to make progress toward meeting the school's growth target. Not later than 90 days after the API is made public, the governing board of the school district shall adopt the team's recommendations—at a regularly scheduled meeting of the governing board. The governing board may not place the adoption on the consent calendar. The report shall be submitted to the Superintendent—of—Public—Instruction—and—State—Board—of Education.
- (D) No less than three times during the year, the school district and schoolsite shall present the team with data regarding progress toward the goals established by the team's initial assessment. The data shall be presented to the governing board of the school district at a regularly scheduled meeting. The team shall, to the extent possible, utilize existing site data. The data shall also be provided to the Superintendent of Public Instruction and State Board of Education. Every effort shall be made to report this data in a manner that minimizes the length and complexity of the reporting requirement in order to maximize the focus on improving pupil literacy and achievement.

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 (E) An action taken pursuant to this paragraph shall not increase local costs or require reimbursement by the Commission on State Mandates.

- (2) The Superintendent of Public Instruction shall assume all the legal rights, duties, and powers of the governing board with respect to the school. The Superintendent of Public Instruction, in consultation with the State Board of Education and the governing board of the school district, shall reassign the principal of that school subject to the findings in subdivision (i). In addition to reassigning the principal, the Superintendent of Public Instruction, in consultation with the State Board of Education, shall, notwithstanding any other provision of law, do at least one of the following:
- (A) Revise attendance options for pupils to allow them to attend any public school in which space is available. If additional attendance options are made available, nothing in this option shall be construed to require either the sending or receiving school district to incur additional transportation costs.
- (B) Allow parents or guardians to apply directly to the State Board of Education for the establishment of a charter school and allow parents or guardians to establish the charter school at the existing schoolsite.
- (C) Under the supervision of the Superintendent of Public Instruction, assign the management of the school to a college, university, county office of education, or other appropriate educational institution. However, the Superintendent of Public Instruction may not assume the management of the school.
 - (D) Reassign other certificated employees of the school.
- (E) Renegotiate a new collective bargaining agreement at the expiration of the existing collective bargaining agreement.
 - (F) Reorganize the school.
 - (G) Close the school.
- (f) In addition to the actions listed in subdivision (e), the Superintendent of Public Instruction, in consultation with the State Board of Education, may take any other action considered necessary or desirable against the school district or the school district governing board, including appointment of a new superintendent or suspension of the authority of the governing board with respect to a school that does not meet its growth targets within the periods described in either subdivision (b) or (c), as

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applicable, and has failed to show significant growth, as determined by the State Board of Education.

- (g) Before the Superintendent of Public Instruction may take any action against a principal pursuant to subdivision (e), the Superintendent of Public Instruction or a designee of the superintendent shall hold a public hearing on the matter in the school district and make both of the following findings:
- (1) A finding that the principal had the authority to take specific enumerated actions that would have helped the school meet its performance goals.
- (2) A finding that the principal failed to take specific enumerated actions pursuant to paragraph (1).
- (h) An action taken pursuant to subdivision (e), (f), or (g) shall not increase local costs or require reimbursement by the Commission on State Mandates.
- (i) An action taken pursuant to subdivision (e), (f), or (g) shall be accompanied by specific findings by the Superintendent of Public Instruction and the State Board of Education that the action is directly related to the identified causes for continued failure by a school to meet its performance goals.
- SEC. 9. Section 52055.655 of the Education Code is amended to read:
- 52055.655. (a) Notwithstanding subdivision (c) of Section 52055.650, a *A* school participating in the High Priority Schools Grant Program for Low Performing Schools that meets or exceeds its API growth target shall continue to receive funding under this program in the amount specified in Sections 52054.5 and 52055.600 for one additional year of implementation, less the amount received pursuant to Section 52057.
- (b) From funds made available to the State Department of Education pursuant to the act adding this section, the State Department of Education shall conduct a study on the issue of sustainability of funding for low-performing schools. The issues to be addressed in this study shall include, but are not limited to, the following:
- (1) An objective rather than a comparative view of the necessity of sustaining supplemental funding over time to address the ongoing needs of low-performing pupils, and the impact of policies that only provide funding over a specified period of time.

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(2) A description of the ongoing needs of low-performing schools, as identified in needs assessments submitted pursuant to paragraph (3) of subdivision (a) of 52055.620 and the sources of funding schools used to meet these needs.

- (3) An analysis of the use of funds provided pursuant to this article and the effectiveness of that use in meeting the continued or changing needs of communities served by low-performing schools. This analysis shall include an evaluation of the growth in academic achievement realized by participating schools and the ability of those schools to sustain growth in academic achievement if funding is continued.
- (4) An assessment of whether local, state, and federal resources are likely to be sufficient to sustain all or some of the academic improvements made in low-performing schools after this state subsidy expires, taking into account prospects for the subsequent pupil population's incidence of poverty and low socioeconomic status.
- SEC. 10. Section 52056.5 of the Education Code is amended to read:
- 52056.5. Commencing with the 2000–01 fiscal year, a school that fails to meet annual state growth targets established pursuant to Section 52052 may, as determined by the Superintendent of Public Instruction with the approval of the State Board of Education, be subject to the Immediate Intervention/Underperforming Schools Program pursuant to subdivisions (e) and (f) of Section 52053, and Sections 52053.5, 52054, 52054.5, 52055, and 52055.5 and 52055.
- SEC. 11. Section 52057 of the Education Code is repealed.
- 52057. (a) The State Board of Education shall establish a Governor's Performance Award Program to provide monetary and nonmonetary awards to schools that meet or exceed API performance growth targets established pursuant to Section 52052, and demonstrate comparable improvement in academic achievement by all numerically significant ethnic and socioeconomically disadvantaged subgroups within schools. Monetary awards shall be awarded only to schools whose API scores meet or exceed their API growth target as established pursuant to Section 52052 or increase by five points, whichever is greater, and in which all numerically significant subgroups' scores meet or exceed 80 percent of the school's API growth target as

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established pursuant to Section 52052 or increase by four points, whichever is greater. For purposes of this section, an ethnic or socioeconomically disadvantaged subgroup of at least 100 pupils constitutes a numerically significant subgroup, even if the subgroup does not constitute 15 percent of the total enrollment at a school.

- (b) All schools, including schools participating in the Immediate Intervention/Underperforming Schools Program are eligible to participate in the Governor's Performance Award Program. The manner and form in which the monetary and nonmonetary awards are given shall be established by the Superintendent of Public Instruction and approved by the State Board of Education. The monetary awards shall be made available on either a per pupil or per school basis, not to exceed one hundred fifty dollars (\$150) per pupil who received a score on the assessments described in subdivision (b) of Section 60640 and subject to funds appropriated in the annual Budget Act. A school that continues to show improvement in successive years is eligible to receive annual bonuses.
- (e) In addition to or in substitution of monetary awards, the Superintendent of Public Instruction may establish, upon approval by the State Board of Education, nonmonetary awards that may include, but are not limited to, classification as a distinguished school, listing on a published public school honor roll, and public commendations by the Governor and the Legislature. In addition to any other criteria that are used to determine whether a school shall be classified as a distinguished school, the Superintendent of Public Instruction may consider the performance of a school on the physical performance tests administered pursuant to Section 60800.
- (d) A governing board of a school district or a county board of education with one or more schools under its jurisdiction that are eligible to receive an award from the Governor's Performance Award Program may request on behalf of those schools that the State Board of Education waive all or any part of any provision of this code, or any regulation adopted by the State Board of Education, controlling any of the programs listed in clause (i) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 54761 and Section 64000. The board may grant the request if the waiver does not result in a decrease in the instructional time

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 otherwise required by law or regulation or an increase in state costs and is determined to be consistent with subdivision (a) of Section 46300. The waiver shall be granted for no more than three consecutive fiscal years. A governing board of a school district or a county board of education may request a renewal for schools under their jurisdiction that still meet the eligibility criteria.

- (e) The waiver granted pursuant to subdivision (d) of Section 52057 may also provide the governing board of a school district or a county board of education with maximum flexibility, on the part of eligible schools within the districts, in the expenditure of any new or existing categorical funds not otherwise prohibited under state or federal law to enable the school to continue improvement in pupil performance.
- SEC. 12. Section 60603 of the Education Code is amended to read:
 - 60603. As used in this chapter:
 - (a) "Achievement test" means any standardized test that measures the level of performance that a pupil has achieved in the core curriculum areas.
 - (b) "Assessment of applied academic skills" means a form of assessment that requires pupils to demonstrate their knowledge of, and ability to apply, academic knowledge and skills in order to solve problems and communicate. It may include, but is not limited to, writing an essay response to a question, conducting an experiment, or constructing a diagram or model. An assessment of applied academic skills may not include assessments of personal behavioral standards or skills, including, but not limited to, honesty, sociability, ethics, or self-esteem.
 - (c) "Basic academic skills" means those skills in the subject areas of reading, spelling, written expression, and mathematics that provide the necessary foundation for mastery of more complex intellectual abilities, including the synthesis and application of knowledge.
 - (d) "Content standards" means the specific academic knowledge, skills, and abilities that all public schools in this state are expected to teach and all pupils *are* expected to learn in each of the core curriculum areas, at each grade level tested.
- 38 (e) "Core curriculum areas" means the areas of reading, writing, mathematics, history-social science, and science.

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(f) "Direct writing assessment" means an assessment of applied academic skills that requires pupils to use written expression to demonstrate writing skills, including writing mechanics, grammar, punctuation, and spelling.

- (g) "End of course exam" means a comprehensive and challenging assessment of pupil achievement in a particular subject area or discipline, such as the Golden State Exams.
- (h) "Performance standards" are standards that define various levels of competence at each grade level in each of the curriculum areas for which content standards are established. Performance standards gauge the degree to which a pupil has met the content standards and the degree to which a school or school district has met the content standards.
- (i) "Publisher" means a commercial publisher or any other public or private entity, other than the State Department of Education, which is able to provide tests or test items that meet the requirements of this chapter.
- (j) "Statewide pupil assessment program" means the systematic achievement testing of pupils in grades 2 3 to 11, inclusive, pursuant to the standardized testing and reporting program under Article 4 (commencing with Section 60640) and the assessment of basic academic skills and applied academic skills, administered to pupils in grade levels specified in subdivision (c) of Section 60605, required by this chapter in all schools within each school district by means of tests designated by the State Board of Education.
- SEC. 13. Section 60604 of the Education Code is amended to read:
- 60604. (a) The Superintendent of Public Instruction shall design and implement, consistent with the timetable and plan required pursuant to subdivision (b), a statewide pupil assessment program consistent with the testing requirements of this article in accordance with the objectives set forth in Section 60602. That program shall include all of the following:
- (1) A plan for producing valid, reliable, and comparable individual pupil scores in grades 2 3 to 11, inclusive, and a comprehensive analysis of these scores based on the results of the achievement test designated by the State Board of Education that assesses a broad range of basic academic skills pursuant to the

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Standardized Testing and Reporting (STAR) Program established by Article 4 (commencing with Section 60640).

- (2) A method of working with publishers to ensure valid, reliable, and comparable individual, grade-level, school-level, district-level, county-level, and statewide scores in grades 2 3 to 11, inclusive, that is based on the achievement test designated pursuant to subdivision (b) of Section 60605.
- (3) Statewide academically rigorous content and performance standards that reflect the knowledge and skills that pupils will need in order to succeed in the information-based, global economy of the 21st century. These skills shall not include personal behavioral standards or skills, including, but not limited to, honesty, sociability, ethics, or self-esteem.
- (4) A statewide system that provides the results of testing in a manner that reflects the degree to which pupils are achieving the academically rigorous content and performance standards adopted by the State Board of Education.
- (5) The alignment of assessment with the statewide academically rigorous content and performance standards adopted by the State Board of Education.
- (6) The active, ongoing involvement of parents, classroom teachers, administrators, other educators, governing board members of school districts, and the public in all phases of the design and implementation of the statewide pupil assessment program.
- (7) The development of a contract or contracts with a publisher or publishers, after the approval of statewide academically rigorous content standards by the State Board of Education, for the development of performance standards and assessments of applied academic skills designed to test pupils' knowledge of academic skills and abilities to apply that knowledge and those skills in order to solve problems and communicate.
- (b) The superintendent shall develop and annually update for the Legislature a five-year cost projection, implementation plan, and timetable for implementing the program described in subdivision (a). The annual update shall be submitted on or before March 1 of each year to the chairperson of the fiscal subcommittee considering budget appropriations in each house. The update shall explain any significant variations from the five-year cost projection for the current year budget and the proposed budget.

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(c) The Superintendent of Public Instruction shall provide each school district with guidelines for professional development that are designed to assist classroom teachers to use the results of the assessments administered pursuant to this chapter to modify instruction for the purpose of improving pupil learning. These guidelines shall be developed in consultation with classroom teachers and approved by the State Board of Education before dissemination.

- (d) The Superintendent of Public Instruction and the State Board of Education shall consider comments and recommendations from school districts and the public in the development, adoption, and approval of assessment instruments.
- (e) The results of the achievement test administered pursuant to Article 4 (commencing with Section 60640) shall be returned to the school district within the period of time specified by the State Board of Education.
- SEC. 14. Section 60605 of the Education Code is amended to read:
- 60605. (a) (1) (A) Not later than January 1, 1998, the State Board of Education shall adopt statewide academically rigorous content standards, pursuant to the recommendations of the Commission for the Establishment of Academic Content and Performance Standards, in the core curriculum areas of reading, writing, and mathematics to serve as the basis for assessing the academic achievement of individual pupils and of schools, school districts, and the California education system. Not later than November 1, 1998, the State Board of Education shall adopt these standards in the core curriculum areas of history/social science and science.
- (B) The board State Board of Education shall adopt statewide performance standards in the core curriculum areas of reading, writing, mathematics, history/social science, and science based on the recommendations made by the Superintendent of Public Instruction and a contractor or contractors.
- (C) The State Board of Education shall require the contractor or contractors to submit performance standards to the Superintendent of Public Instruction and the board not later than a specified date that allows sufficient opportunity for the Superintendent of Public Instruction to make a recommendation

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to the board and for the board to conduct regional hearings prior to the adoption of the performance standards.

- (2) (A) The State Board of Education may modify any proposed content standards or performance standards prior to adoption and may adopt content and performance standards in individual core curriculum areas as those standards are submitted to the board. The performance standards shall be established against specific grade level benchmarks of academic achievement for each subject area tested and shall be based on the knowledge and skills that pupils will need in order to succeed in the information-based, global economy of the 21st century. These skills shall not include personal behavioral standards or skills, including, but not limited to, honesty, sociability, ethics, or self-esteem. The standards adopted pursuant to this section shall be for the purpose of guiding state decisions regarding the development, adoption, and approval of assessment instruments pursuant to this chapter and shall not be construed to mandate any actions or activities by school districts.
- (B) Because these standards are models, the adoption of these standards is not subject to the Administrative Procedure Act. This subparagraph is declaratory of existing law.
- (3) Before adopting academic content and performance standards, the board shall hold regional hearings for the purpose of giving parents and other members of the public the opportunity to comment on the proposed standards.
- (b) (1) The State Board of Education shall require the State Department of Education to notify publishers of the opportunity to submit, for consideration by the State Board of Education pursuant to Section 60642, tests of achievement that include all of the basic academic skills identified in subdivision (c) of Section 60603 in grades 2 3 to 8, inclusive, and the core curriculum areas of English and language arts, mathematics, and science in grades 9 to 11, inclusive.
- (2) The Superintendent of Public Instruction shall recommend to the State Board of Education which achievement test to adopt pursuant to subdivision (b) of Section 60642.
- (c) (1) The State Board of Education shall ensure that the statewide assessment system adopted pursuant to this chapter yields valid, reliable individual pupil scores and, where applicable, aggregate school scores, school district scores, and

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statewide scores of pupils and assesses basic academic skills and content standards, including the use of a direct writing assessment or other applied academic skills if deemed valid and reliable and if resources are made available for their use.

- (2) Nothing in this This subdivision shall be construed to does not prevent the State Board of Education from developing or adopting an assessment instrument that also contains assessments of basic academic skills.
- (d) To the extent feasible and as otherwise required, the State Board of Education shall ensure that assessments developed, or contracted for pursuant to Section 60642.5, by the state are aligned with the statewide content and performance standards adopted pursuant to subdivision (a). The State Department of Education, with the approval of the State Board of Education, shall periodically contract for a review of the achievement test for conformance with these standards.
- (e) After adopting statewide content and performance standards, the State Board of Education shall review the existing curriculum frameworks for conformity with the new statewide standards and shall modify the curriculum frameworks where appropriate to bring them into alignment with the standards.
- (f) The State Board of Education shall adopt regulations for the conduct and administration of the testing and assessment program.
- (g) The State Board of Education shall adopt a regulation for minimum security procedures that test and assessment publishers and school districts must follow to ensure the security and integrity of test and assessment questions and materials.
- SEC. 15. Section 60605.6 of the Education Code is amended to read:
- 60605.6. Subject to the availability of funds in the annual Budget Act for this purpose, the Superintendent of Public Instruction, upon approval of the State Board of Education, shall contract for the development and distribution of workbooks, as follows:
- (a) One workbook to be distributed to all pupils in the 10th grade. This workbook shall contain information on the proficiency levels that must be demonstrated by pupils on the high school exit examination described in Chapter 9 (commencing with Section 60850). The workbook also shall contain sample questions, with explanations describing how these sample questions test pupil

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1 knowledge of the language arts and mathematics content standards 2 adopted by the State Board of Education pursuant to Section 3 60605.

- (b) Separate workbooks for each of grades 2 3 to 11, inclusive. Each pupil in grades 2 3 to 11, inclusive, who is required to take the achievement tests described in Section 60642 or Section 60642.5 shall receive a copy of the workbook designed for the same grade level in which the pupil is enrolled. These workbooks shall contain material to assist pupils and their parents with standards-based learning, including the grade appropriate academic content standards adopted by the State Board of Education pursuant to Section 60605 and sample questions that require knowledge of these standards to answer. The workbooks also shall describe how the sample questions test knowledge of the State Board of Education adopted academic content standards.
- SEC. 16. Section 60606 of the Education Code is amended to read:
- 60606. (a) After designating a test of academic achievement for use in grades 2 *3* to 11, inclusive, pursuant to Section 60642, or adopting an assessment of applied academic skills for use in grades 4, 5, 8, and 10 pursuant to Section 60605, the State Board of Education shall submit each of those two instruments when designated or adopted to the Statewide Pupil Assessment Review Panel, which is hereby established, for review by the panel.
- (b) The panel shall consist of six members. Three members shall be appointed by the Governor, one member shall be appointed by the Senate Committee on Rules, one member shall be appointed by the Speaker of the Assembly, and one member shall be appointed by the Superintendent of Public Instruction. A majority of the panel shall consist of parents whose children attend public schools in the state in kindergarten and grades 1 to 12, inclusive.
- (c) Panel members shall serve two-year terms, without compensation. No panel member shall serve more than two consecutive terms.
- (d) The panel shall review the two instruments specified in subdivision (a) in order to ensure that the content of the instruments complies with the requirements of Section 60614. Notwithstanding any other provision of law, the panel may meet in closed session with a publisher for the purpose of addressing

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questions and clarifying issues that relate to ensuring that the content of the publisher's test or assessment, as the case may be, comply with the requirements of Section 60614.

- (e) The panel shall report its findings and recommendations to the State Board of Education within 10 days of its receipt of each instrument. If the panel fails to report within the required 10 days, the test or assessment shall be deemed acceptable to the panel.
- SEC. 17. Section 60640 of the Education Code is amended to read:
- 60640. (a) There is hereby established the Standardized Testing and Reporting Program, to be known as the STAR Program.
- (b) Commencing in the 1997–98 fiscal year and each fiscal year thereafter, and from the funds available for that purpose, each school district, charter school, and county office of education shall administer to each of its pupils in grades 2 3 to 11, inclusive, the achievement test designated by the State Board of Education pursuant to Section 60642 and the standards-based achievement test provided for in Section 60642.5. The State Board of Education shall establish a testing period to provide that all schools administer these tests to pupils at approximately the same time during the instructional year, except as necessary to ensure test security and to meet the final filing date.
- (c) The publisher and the school district shall provide two makeup days for the testing of previously absent pupils within the testing period established by the State Board of Education in subdivision (b).
- (d) The governing board of the school district may administer achievement tests in kindergarten and grade 1 or 12, or both, as it deems appropriate.
- (e) Pursuant to paragraph (17) of subsection (a) of Section 1412 of Title 20 of the United States Code, individuals with exceptional needs, as defined in Section 56026, shall be included in the testing requirement of subdivision (b) with appropriate accommodations in administration, where necessary, and those individuals with exceptional needs who are unable to participate in the testing, even with accommodations, will be given an alternate assessment.
- (f) At the school district's option, pupils of limited English proficiency who are enrolled in any of grades 2 3 to 11, inclusive,

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may take a second achievement test in their primary language.

- 2 Primary language tests administered pursuant to this subdivision
- 3 and subdivision (g) shall be subject to the requirements of
- 4 subdivision (a) of Section 60641. These primary language tests
- 5 shall produce individual pupil scores that are valid and reliable.
- 6 Notwithstanding any other provision of law, the State Board of
- 7 Education shall designate for use, as part of this program, a single
- 8 primary language test in each language for which a test is available
- 9 for grades 2 3 to 11, inclusive, no later than November 14, 1998,
- pursuant to the process used for designation of the assessment chosen in the 1997–98 fiscal year, as specified in Sections 60642
- 12 and 60643, as applicable.

- (g) Pupils of limited English proficiency who are enrolled in any of grades 2 3 to 11, inclusive, shall be required to take a test in their primary language if a test is available, if fewer than 12 months have elapsed after their initial enrollment in any public school in the state.
- (h) (1) The Superintendent of Public Instruction shall apportion funds to school districts to enable school districts to meet the requirements of subdivisions (b), (f), and (g).
- (2) The State Board of Education shall annually establish the amount of funding to be apportioned to school districts for each test administered and shall annually establish the amount that each publisher shall be paid for each test administered under the agreements required pursuant to Section 60643. The amounts to be paid to the publishers shall be determined by considering the cost estimates submitted by each publisher each September and the amount included in the Budget Act and by making allowance for the estimated costs to school districts for compliance with the requirements of subdivisions (b), (f), and (g).
- (3) An adjustment to the amount of funding to be apportioned per test may not be valid without the approval of the Director of Finance. A request for approval of an adjustment to the amount of funding to be apportioned per test shall be submitted in writing to the Director of Finance and the chairpersons of the fiscal committees of both houses of the Legislature with accompanying material justifying the proposed adjustment. The Director of Finance is authorized to approve only those adjustments related to activities required by statute. The Director of Finance shall approve or disapprove the amount within 30 days of receipt of the

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request and shall notify the chairpersons of the fiscal committees of both houses of the Legislature of the decision.

- (i) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation for the apportionments made pursuant to paragraph (1) of subdivision (h), and the payments made to the publishers under the contracts required pursuant to Section 60643 or subparagraph (C) of paragraph (1) of subdivision (a) of Section 60605 between the State Department of Education and the contractor, shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the applicable fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for that fiscal year.
- (j) As a condition to receiving an apportionment pursuant to subdivision (h), a school district shall report to the superintendent all of the following:
- (1) The number of pupils enrolled in the school district in grades 2 3 to 11, inclusive.
- (2) The number of pupils to whom an achievement test was administered in grades 2 3 to 11, inclusive, in the school district.
- (3) The number of pupils in paragraph (1) who were exempted from the test at the request of their parents or guardians.
- SEC. 18. Section 60642 of the Education Code is amended to read:
- 60642. (a) The Superintendent of Public Instruction and the State Board of Education may consider any evaluations of independent experts who have not been employed by a test publisher in the preceding 12 months regarding the suitability of the achievement tests submitted by publishers as required by subdivision (b) of Section 60605 for use as part of the STAR Program established by this article.
- (b) Based upon a review of the achievement tests submitted and the recommendation made by the Superintendent of Public Instruction pursuant to subdivision (b) of Section 60605, the State Board of Education, in its sole discretion, based on the considerations set forth in Section 60644, shall designate for use

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1 as part of the STAR Program a single test in grades 2 3 to 11, 2 inclusive.

- (c) The State Board of Education shall ensure that the achievement test designated pursuant to subdivision (b) contains the subject areas specified in subdivision (c) of Section 60603 for grades 23 to 8, inclusive, and the core curriculum areas of English and language arts, mathematics, and science for grades 9 to 11, inclusive.
- (d) The State Board of Education is hereby authorized to designate the achievement test to be administered pursuant to this article for more than one academic year subject to the availability of funds.
- (e) The board shall minimize, to the extent it deems feasible, the amount of testing time required by the assessment in subdivision (b) for those content areas for which there also exists a standards-based examination as provided for pursuant to Section 60642.5.
- SEC. 19. Section 60642.5 of the Education Code is amended to read:
- 60642.5. (a) The Superintendent of Public Instruction, with approval of the State Board of Education, shall provide for the development of an assessment instrument, to be called the California Standards Tests, that measures the degree to which pupils are achieving the academically rigorous content standards and performance standards, to the extent standards have been adopted by the State Board of Education. This standards-based achievement test shall contain the subject areas specified in subdivision (c) of Section 60603 for grades 23 to 8, inclusive, and shall include an assessment in history/social science in at least one elementary or middle school grade level selected by the State Board of Education and science in at least one elementary or middle school grade level selected by the State Board of Education, and the core curriculum areas specified in subdivision (e) of Section 60603 for grades 9 to 11, inclusive, except that history-social science shall not be included in the grade 9 assessment unless the State Board of Education adopts academic content standards for a grade 9 history-social science course, and shall include, at a minimum, a direct writing assessment once in elementary school and once in middle or junior high school and

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other items of applied academic skill if deemed valid and reliable and if resources are made available for their use.

- (b) In approving a contract for the development or administration of the California Standards Tests, the State Board of Education shall consider each of the following criteria:
- (1) The ability of the contractor to produce valid, reliable individual pupil scores.
- (2) The ability of the contractor to report results pursuant to subdivision (a) of Section 60643 by August 8.
- (3) The ability of the contractor to ensure alignment between the standards-based achievement test and the academically rigorous content and performance standards as those standards are adopted by the State Board of Education. This criterion shall include the ability of the contractor to implement a process to establish and maintain alignment between the test items and the standards.
- (4) The per pupil cost estimates of developing, and, if appropriate, administering the proposed assessment with a system to facilitate the determination of future per pupil cost determinations.
- (5) The contractor's procedures to ensuring the security and integrity of test questions and materials.
- (6) The contractor's experience in successfully conducting testing programs adopted and administered by other states. For experience to be considered, the number of grades and pupils tested shall be provided.
- (c) The standards-based achievement tests may use items from other tests including items from the achievement test designated pursuant to Section 60642.
- SEC. 20. Section 60643 of the Education Code is amended to read:
- 60643. (a) To be eligible for consideration under Section 60642 or 60642.5 by the State Board of Education, test publishers shall agree in writing each year to meet the following requirements, as applicable, if selected:
- (1) Enter into an agreement, pursuant to subdivision (e) or (f), with the State Department of Education by October 15.
- (2) With respect to selection under Section 60642.5, align the standards-based achievement test provided for in Section 60642.5

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to the academically rigorous content and performance standards adopted by the State Board of Education.

- (3) Comply with subdivisions (c) and (d) of Section 60645.
- (4) Provide valid and reliable individual pupil scores only in the content areas specified in subdivision (c) of Section 60642 to parents or guardians, teachers, and school administrators.
- (5) Provide valid and reliable aggregate scores only in the content areas specified in subdivision (c) of Section 60642 to school districts and county boards of education in all of the following forms and formats:
 - (A) Grade level.
- 12 (B) School level.

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- 13 (C) District level.
 - (D) Countywide.
- 15 (E) Statewide.
- 16 (F) Comparison of statewide scores relative to other states.
 - (6) Provide disaggregated based scores, on limited-English-proficient status nonlimited-English-proficient status. For purposes of this section, pupils with "nonlimited-English-proficient status" shall include the total of those pupils who are English-only pupils, fluent-English-proficient pupils, and redesignated fluent-English-proficient pupils. These scores shall be provided to school districts and county boards of education in the same forms and formats listed in paragraph (5).
 - (7) Provide disaggregated scores by pupil gender and provide disaggregated scores based on whether pupils are economically disadvantaged or not. These disaggregated scores shall be in the same forms and formats as listed in paragraph (5). In any one year, the disaggregation shall entail information already being collected by school districts, county offices of education, or charter schools.
 - (8) Provide disaggregated scores for pupils who have individualized education programs and have enrolled in special education, to the extent required by federal law. These scores shall be provided in the same forms and formats listed in paragraph (5). This section may not be construed to exclude the scores of special education pupils from any state or federal accountability system.
- education pupils from any state or federal accountability system.

 (9) Provide information listed in paragraphs (5), (6), (7), and

 (8) to the State Board of Education and the State Department of
 Education in the medium requested by each entity, respectively.

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(b) It is the intent of the Legislature that the publisher work with the Superintendent of Public Instruction and the State Board of Education in developing a methodology to disaggregate statewide scores as required in paragraphs (6) and (7) of subdivision (a), and in determining which variable indicated on the STAR testing document shall serve as a proxy for "economically disadvantaged" status pursuant to paragraph (7).

- (c) Access to any information about individual pupils or their families shall be granted to the publisher only for purposes of correctly associating test results with the pupils who produced those results or for reporting and disaggregating test results as required by this section. School districts are prohibited from excluding a pupil from the test if a parent or parents decline to disclose income. Nothing in this *This* chapter shall be construed to does not abridge or deny rights to confidentiality contained in the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Sec. 1232g) or other applicable provisions of state and federal law that protect the confidentiality of information collected by educational institutions.
- (d) Notwithstanding any other provision of law, the publisher of the achievement test designated pursuant to Section 60642, the publisher of the standards-based achievement test provided for in Section 60642.5, or any contractor under subdivision (f) shall comply with all of the conditions and requirements enumerated in subdivision (a), as applicable, to the satisfaction of the State Board of Education.
- (e) (1) A publisher may not provide a test described in Section 60642, 60642.5, or 60650 or in subdivision (f) of Section 60640 for use in California public schools unless the publisher enters into a written contract with the State Department of Education as set forth in this subdivision.
- (2) The State Department of Education shall develop, and the State Board of Education shall approve, a contract to be entered into with any publisher pursuant to paragraph (1). The department may develop the contract through negotiations with the publisher.
- (3) For purposes of the contracts authorized pursuant to this subdivision, the State Department of Education is exempt from the requirements of Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code and from the requirements

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of Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code.

- (4) The contracts shall include provisions for progress payments to the publisher for work performed or costs incurred in the performance of the contract. Not less than 10 percent of the amount budgeted for each separate and distinct component task provided for in each contract shall be withheld pending final completion of all component tasks by that publisher. The total amount withheld pending final completion shall not exceed 10 percent of the total contract price.
- (5) The contracts shall require liquidated damages to be paid by the publisher in the amount of up to 10 percent of the total cost of the contract for any component task that the publisher through its own fault or that of its subcontractors fails to substantially perform by the date specified in the agreement.
- (6) The contracts shall establish the process and criteria by which the successful completion of each component task shall be recommended by the State Department of Education and approved by the State Board of Education.
- (7) The publishers shall submit, as part of the contract negotiation process, a proposed budget and invoice schedule, that includes a detailed listing of the costs for each component task and the expected date of the invoice for each completed component task.
- (8) The contracts shall specify the following component tasks, as applicable, that are separate and distinct:
- (A) Development of new tests or test items as required by paragraph (2) of subdivision (a).
 - (B) Test materials production or publication.
 - (C) Delivery of test materials to school districts.
 - (D) Test processing, scoring, and analyses.
- (E) Reporting of test results to the school districts, including, but not limited to, all reports specified in this section.
- (F) Reporting of test results to the State Department of Education, including, but not limited to, the electronic files required pursuant to this section.
- (G) All other analyses or reports required by the Superintendent of Public Instruction to meet the requirements of state and federal law and set forth in the agreement.

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(9) The contracts shall specify the specific reports and data files, if any, that are to be provided to school districts by the publisher and the number of copies of each report or file to be provided.

- (10) The contracts shall specify the means by which any delivery date for materials to each school district shall be verified by the publisher and the school district.
- (11) School districts may negotiate a separate agreement with the publisher for any additional materials or services not within the contracts specified in this subdivision, including, but not limited to, the administration of the tests to pupils in grade levels other than grades 2 3 to 11, inclusive. Any separate agreement is not within the scope of the contract specified in this subdivision.
- (f) The State Department of Education, with approval of the State Board of Education, may enter into a separate contract for the development or administration of any test authorized pursuant to this part, including, but not limited to, item development, coordination of tests, assemblage of tests or test items, scoring, or reporting. The liquidated damages provision set forth in paragraph (5) of subdivision (e) shall apply to any contract entered into pursuant to this subdivision.
- SEC. 21. Section 60643.1 of the Education Code is amended to read:

60643.1. (a) (1) Commencing in the 1999–2000 school year, and each school year thereafter, the test publisher designated by the State Board of Education pursuant to Section 60642 shall make available a reading list on the Internet by June 1. The reading list shall include an index that correlates ranges of pupil reading scores on the English language arts portion of the achievement test designated pursuant to Section 60642 to titles of materials that would be suitable for pupils in each of grades 2 3 to 11, inclusive, to read in order to improve their reading skills. This reading list shall include titles of books that allow a pupil to practice reading at his or her current reading level and that will assist the pupil in achieving a higher level of proficiency. To the extent possible, the index shall also include information related to the subject matter of each title. At a minimum, the reading list shall also categorize titles by subject matter and identify age-appropriate distinctions in the list.

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(2) Commencing in the 1999–2000 school year, and each school year thereafter, the test publisher shall make available, for purchase by school districts, a report that provides a numerical distribution of the reading scores of all pupils in California who took the achievement test designated pursuant to Section 60642.

- (3) Commencing in the 1999–2000 school year, and each school year thereafter, the test publisher shall make available, for purchase by school districts, reading lists that can be distributed to pupils based on a pupil's age and the ranges of scores on the English language arts portion of the achievement test designated pursuant to Section 60642.
- (4) The requirements of this subdivision shall only become operative upon a determination by the Director of Finance that funds are available to make an adjustment pursuant to subdivision (h) of Section 60640.
- (b) The State Board of Education and the Superintendent of Public Instruction shall jointly certify that the process used by the publisher to determine the reading levels of the corresponding reading list pursuant to paragraph (1) of subdivision (a) meets the following criteria:
 - (1) The process is educationally valid.
- (2) The process results in a reading list for each reading span that provides titles at the pupil's current reading level and the next higher level for challenging practice.
- (3) The process results in a selection from the universe of titles from the list developed pursuant to subdivision (d) that matches each reading level.
- (4) The process is unbiased in the selection of publishers' titles from the legal compliance list.
- (c) The titles listed at each reading level range posted on the Internet and the reading lists made available to school districts pursuant to subdivision (a) shall, at a minimum, include all relevant literature materials approved as of September 1, 1999, as being legally compliant pursuant to Article 3 (commencing with Section 60040) of Chapter 1, and the titles listed in all of the content area reading and literature lists that are developed and published by the State Department of Education and that have been determined by the department to meet the relevant reading level as certified pursuant to subdivision (b).

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(d) By imposing the requirements of this section on publishers, it is not the intent of the Legislature to unfairly disadvantage any publisher who has otherwise met the requirements of this section or of Article 3 (commencing with Section 60040) of Chapter 1 of Part 33.

- SEC. 22. Section 60851 of the Education Code is amended to read:
- 60851. (a) Commencing with the 2003–04 school year and each school year thereafter, each pupil completing grade 12 shall attempt to successfully pass the exit examination as a condition of receiving a diploma of graduation or a condition of graduation from high school, as specified in this section. Funding for the administration of the exit examination shall be provided for in the annual Budget Act. The Superintendent of Public Instruction shall apportion funds appropriated for this purpose to enable school districts to meet the requirements of subdivisions (a), (b), (e), and (d) (d), and (e). The State Board of Education shall establish the amount of funding to be apportioned per test administered, based on a review of the cost per test.
- (b) A pupil may take the high school exit examination in grade 9 in the 2000–01 school year only. Each pupil shall take the high school exit examination in grade 10 beginning in the 2001–02 school year and may take the examination during each subsequent administration, until each section of the examination has been passed *or the pupil graduates*.
- (c) The governing board of a school district may determine the role of the high school exit examination in the district's graduation requirements.
- (d) At the parent or guardian's request, a school principal shall submit a request for a waiver of the requirement to *continue attempting to* successfully pass the high school exit examination to the governing board of the school district for a pupil with a disability who has taken the high school exit examination with modifications that alter what the test measures and has received the equivalent of a passing score on one or both subject matter parts of the high school exit examination. A governing board of a school district may waive the requirement to *continue attempting to* successfully pass one or both subject matter parts of the high school exit examination for a pupil with a disability if the principal

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certifies to the governing board of the school district that the pupil has all of the following:

- (1) An individualized education program adopted pursuant to the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) or a plan adopted pursuant to Section 504 of the federal Rehabilitation Act of 1973 (29 U.S.C. Sec. 794(a)) in place that requires the accommodations or modifications to be provided to the pupil when taking the high school exit examination.
- (2) Sufficient high school level coursework either satisfactorily completed or in progress in a high school level curriculum sufficient to have attained the skills and knowledge otherwise needed to pass the high school exit examination.
- (3) An individual score report for the pupil showing that the pupil has received the equivalent of a passing score on the high school exit examination while using a modification that fundamentally alters what the high school exit examination measures as determined by the State Board of Education.

(d)

(e) The high school exit examination shall be offered in each public school and state special school that provides instruction in grades 10, 11, or 12, on the dates designated by the Superintendent of Public Instruction. An exit examination may not be administered on any date other than those designated by the Superintendent of Public Instruction as examination days or makeup days.

(e)

(f) The results of the high school exit examination shall be provided to each pupil taking the examination within eight weeks of the examination administration and in time for the pupil to take any section of the examination not passed at the next administration. A pupil shall take again only those parts of the examination he or she has not previously passed and may not retake any portion of the exam that he or she has previously passed.

(f)

(g) Supplemental instruction shall be provided to any pupil who does not demonstrate sufficient progress toward passing the high school exit examination. To the extent that school districts have aligned their curriculum with the state academic content standards adopted by the State Board of Education, the curriculum for supplemental instruction shall reflect those standards and shall

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be designed to assist the pupils to succeed on the high school exit examination. Nothing in this This chapter shall be construed to does not require the provision of supplemental services using resources that are not regularly available to a school or school district, including summer school instruction provided pursuant to Section 37252. In no event shall any action taken as a result of this subdivision cause or require reimbursement by the Commission on State Mandates. Sufficient progress shall be determined on the basis of either of the following:

(1) The results of the assessments administered pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 and the minimum levels of proficiency recommended by the State Board of Education pursuant to Section 60648.

- (2) The pupils' grades and other indicators of academic achievement designated by the district.
- SEC. 23. Section 60852 of the Education Code is amended to read:
- 60852. Notwithstanding Section 60851, if a school district determines that a pupil does not possess sufficient English language skills to be assessed pursuant to Section 60850, the district may defer the requirement that the pupil pass take the high school exit examination for a period of up to 24 calendar months of enrollment in the California public school system until the pupil has completed six months of instruction in reading, writing, and comprehension in the English language. Nothing in this section shall be construed to allow any pupil to receive a diploma of graduation from high school without passing the exit examination, in English, prescribed by Section 60850.
- SEC. 24. Section 60856 of the Education Code is amended to read:
- 60856. After adoption and the initial administrations of the high school exit examination the State Board of Education, in consultation with the Superintendent of Public Instruction, shall study the appropriateness of other criteria by which high school pupils who are regarded as highly proficient but unable to pass the high school exit examination may demonstrate their competency and receive a high school diploma. This criteria shall include, but is not limited to, an exemplary academic record as evidenced by transcripts and alternative tests of equal rigor in the academic areas covered by the high school exit examination. If the State Board of

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Education determines that other criteria are appropriate and do not undermine the intent of this chapter that all high school graduates demonstrate satisfactory academic proficiency, the board shall forward its recommendations to the Legislature for enactment. SEC. 25. Section 60859 of the Education Code is repealed. 60859. (a) Notwithstanding any provision of law to the

60859. (a) Notwithstanding any provision of law to the contrary, on or before August 1, 2003, the State Board of Education may delay the date upon which each pupil completing grade 12 is required to successfully pass the high school exit examination as a condition of receiving a diploma of graduation or a condition of graduation from high school to a date other than the 2003–04 school year if, in reviewing the report of the independent study, the State Board of Education determines that the test development process or the implementation of standards-based instruction does not meet the required standards for a test of this nature.

(b) After August 1, 2003, the State Board of Education may not delay the date upon which each pupil completing grade 12 is required to successfully pass the high school exit examination as a condition of receiving a diploma of graduation or a condition of graduation from high school.